

Financing for SMEs' Disaster Risk Reduction

Small and Medium Enterprise Development Fund
Ministry of Planning and Investment
Vietnam

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- Introduction about SMEDF
- Vietnam SMEs profile & disaster risks
- SMEDF's support programs for SMEs to prepare for and recover from disasters.

Overview of SMEDF

- A State Financial Institution under Ministry of Planning and Investment of Vietnam
- Charter capital is 2000 billion Vietnam dong, = 90 million USD
- The objects of the Fund are SMEs nationwide
- To implement government policies and programs for the sound growth and development of SMEs in Vietnam



Overview of SMEDF

Finance

- Provide Financial support to SMEs: currently via preferential loans; future: expand financial support methods

Capacity building

- Provide consulting, training and marketing & global cooperation opportunities to SMEs who borrow from SMEDF;

Policy

- Participate in the construction of policies to support SMEs in order to create an enabling business environment for businesses.

Connecti on

- Cooperate with national or international organizations/ individuals to support SMEs in Vietnam.

Vietnam SMEs and Disasters Risk

- SMEs >500,000; 98% of businesses, 55% of employment, and 45% of national GDP.
- Storms & floods
- 1990-2009: Annual economic losses = 1.3% of GDP, \$3.85 billion.
- Most SMEs has no disaster preparedness and response plans.
- Government policy: focus on the whole population but neglect SMEs:
 - Law on natural disaster prevention and control (2013)
 - Provincial Natural Disaster Prevention And Control Funds



Disaster Recovery Program

Providing financing and other supports for the recovery and business resumption of SMEs that have sustained damage due to the disaster.

1. Disaster Recovery Loan: Assist SMEs to recover from the destruction brought about by natural disasters.

- *Long-term loan*

- To repair or replace those damaged or destroyed in a declared disaster: real estate, property, machinery & equipment, inventory and business assets.

- Lower interest rate, payment-free period

- Short-term loan: Injection loans to help SMEs cover working capital issues.

2. Disaster Recovery Consultation

- Check-up, recovery plan for SMEs

Disaster Preparedness Program

Providing financing and other supports for SMEs to prepare for disaster

1. Financial supports for Disaster Preparedness:

1.1. *Disaster preparation loan:*

- Companies developing facilities that will contribute to disaster management based on their own Business Continuity Plans.

1.2. *Environmental loan:*

- Finance SMEs to minimize the degradation of the environment and promote energy saving.
- Energy efficient upgrades to SMEs' facilities, to finance innovative environmental products and technologies and to support environmentally friendly business.

2. Consultancy

- Business continuity planning: training and consulting
- Cooperate with other agencies



Thank you!